

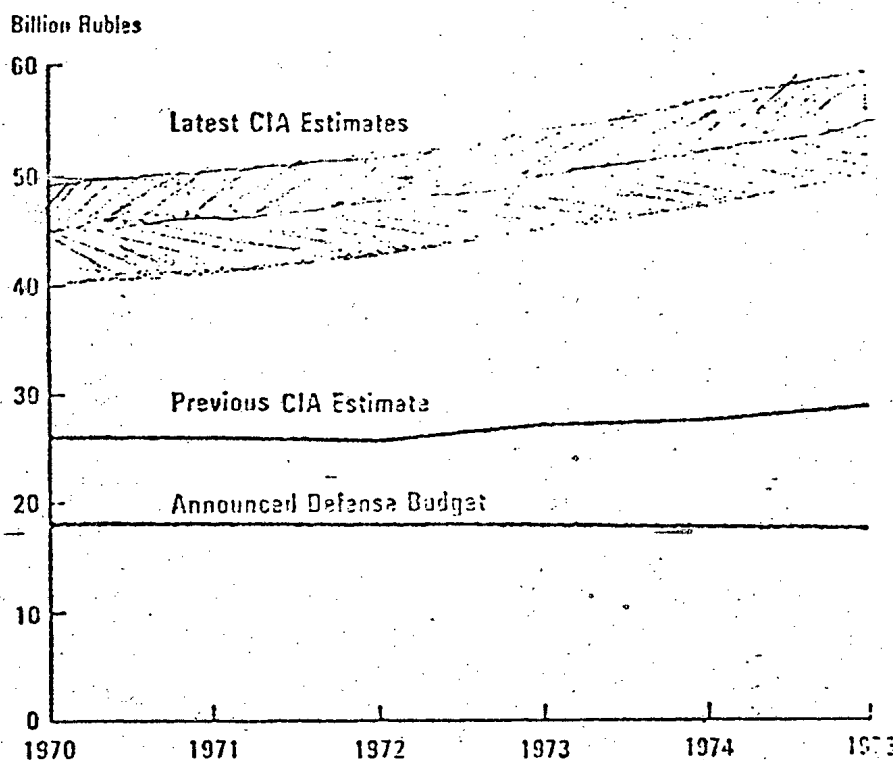
## Estimates of USSR Defense Spending

The public release this May of revised US and British intelligence estimates of Soviet defense spending has elicited a strong and continuing response from the Soviets (*see chart for estimate*). This reaction contrasts sharply to the low-key commentary on our estimates over the past few years. Although we are not certain of the Soviet motives, the reaction demonstrates Moscow's unwillingness to allow the latest estimates to go unchallenged.

**Contrast With Past Reactions.** Since late May there have been nine public rebuttals of the new Western estimates (*see next page*). By contrast, in the previous ten years the Soviets had responded on only three occasions—once in 1966 and twice in 1973—to US estimates of their defense spending.

The response this year has also been more sophisticated. Previously, Soviet responses consisted only of assertions that Soviet defense spending was adequate, that the Western military and press overstated it, that Soviet defense outlays were

Estimated Soviet Expenditures  
for Defense, 1970-1975



Estimate defined as the Soviets might view their defense effort.

Estimate defined for comparison with U.S. amounts.

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## Soviet Commentary

- ◊ On 19 May, the day after the public release of a report presenting the revised CIA estimates, TASS ran an item characterizing the report as a "CIA canard" designed to "set the tone at the Atlantic [NATO] debates and justify [US] calls for an arms race."
- ◊ On 25 May, *Pravda* carried a satirical article characterizing the British estimate, which is in rough agreement with CIA's, as a crude attempt to justify increases in the UK's defense outlays.
- ◊ In a commentary broadcast to China on 3 June, a 'Colonel Ivanov' scored the Peking propaganda media for their efforts to "concoct or quote from reactionary bourgeois publications some figures concerning the Soviet military budget . . . that Soviet military spending is 30 percent higher than that of the US."
- ◊ The June edition of *Communist of the Armed Forces* carried an article by Col. Yu. Vlas'yevich, a Doctor of Economic Science, contrasting socialist and capitalist military economic concepts. Vlas'yevich attacked "bourgeois theorists" for analyzing the Soviet Union in terms of false Western concepts. The author referred to the published Soviet defense budget series to "prove" that the USSR is committed to detente and a cessation of the arms race.
- ◊ In a speech on 29 June to the Conference of European Communist Parties, CPSU General Secretary Brezhnev noted "absurd statements grossly distorting the policy of the Soviet Union . . . by both mass information media and . . . figures in prominent positions." He also asserted that "the Soviet Union is the only great power which does not increase its military spending from year to year."
- ◊ In a major article in *Pravda* on 4 August, K. Georgiyev, a member of the *USA* journal's editorial board, referred to the Brezhnev speech in rebutting, among other things, CIA's estimates on Soviet defense spending. This article is especially noteworthy for its length and the sophistication of the arguments employed.
- ◊ *Red Star* on 12 August carried an article by Col. A. Korneyev which characterized nongovernmental Western comparisons of US and Soviet spending on civil defense as spurious and invidious. The author contended that this "propaganda sensation" is designed to justify higher defense spending.
- ◊ In an article on 15 August castigating the US for its "record" 1977 defense budget, *Red Star* portrayed the Pentagon and the CIA as the "culprits" responsible for the budget's magnitude. While not mentioned explicitly, our estimates of Soviet defense spending are surely one set of the "CIA . . . statistics supporting assertions concerning the threat from the Soviet Union."
- ◊ In a radio commentary beamed to Italy on 23 August, "Atlantic propaganda" on the Soviet military threat is portrayed as the reason for increased US and NATO defense spending. As in the *Pravda* article of 4 August, the CIA estimate of Soviet defense spending in rubles is compared directly to US dollar outlays in an attempt to show that the US military effort exceeds that of the USSR.

constant and represented a declining burden, and that the West was outspending the USSR for defense.

In the current rash of statements, the first theme has appeared only in a broadcast to the Chinese. The other themes have been fleshed out with propagandistic rationales explaining why the West "distorts" the level and trend of Soviet defense spending. Finally, a number of "economic proofs" have been added to refute the Western estimates.

**New Themes.** The recent press reaction has developed new themes—some of them drawn from discussions of the new CIA estimates in the West, others developed by the Soviets themselves. These include the following:

- Differences in the structure of the US and Soviet economic systems preclude comparison of the share of GNP allocated to defense, and any attempt to do so results in understating the US defense burden.
- Western intelligence agencies have revised their estimates to reflect the wishes of the military-industrial complex.
- There are Western critics of the military-industrial complex who recognize the biased nature of the estimates.

Although there are elements of truth in the latest Soviet rebuttals, these are manipulated and distorted. A typical example of this is the *Pravda* article on 4 August. The author asserted that "even after a doubling of the estimate of Soviet defense spending, it was only half as large as US spending in 1975." While it is true that the new CIA estimate of Soviet defense spending is almost double our previous estimates, it is not true that Soviet defense spending in 1975—about 50 billion *rubles*—was only half that of the US—about 100 billion *dollars*. (In citing the figures the author conveniently neglected to indicate the monetary units.)

**Possible Motives.** The movement away from unsubstantiated assertions and toward economic analysis indicates increased Soviet concern over Western estimates. The Soviets might be reacting to the Western media's widespread coverage of the CIA estimates—which, for the first time, were issued directly to the public under the Agency seal. It may be that the magnitude of the new estimate or the size of the change in it prompted this vigorous reaction. Alternatively, the Soviets may have simply decided that the Western estimates constituted a suitable vehicle for propagandizing against the US "military-industrial complex" and Western intelligence services. Another possible motive is that our revised estimates are close enough to the mark to have disturbed the Soviets. (Unclassified) —